

**Testimony before the U.S. House of Representatives Committee on Small Business,
entitled “*The State of SBA’s Entrepreneurial Development Programs and Their Role
in Promoting an Economic Recovery.*”**

02/11/09

Madam Chair, members of the committee, my name is Carol Gregg and I am the President and Owner of Flexible Staffing located in Chillicothe, Sedalia and Warrensburg Missouri. We also have an on-site office located in Kingsville, Missouri.

I have been an SBTDC client since January 2000 and have worked continuously with the Northwest Missouri State University Chillicothe, Missouri office ever since. The SBTDC office provided me with the assistance to develop cash-flow charts, and a business plan to start my business.

I started Flexible Staffing in May of 2003 and reached the tipping point of success in 2007. I set the goal of growing to \$10 million in sales from my 2007 sales high of about \$3 million. In 2008 we had sales of almost \$5 million. The focus on our growth objective has reinforced my positive outlook, caused me to be able to identify opportunities even in difficult times and highlighted the need for continuous improvement in procedures and personnel.

Having a plan with a growth focus has mentally prepared me to adjust to changing circumstances while maintaining an “opportunity” driven approach to running my business.

Because we are located in the rural areas of Missouri, this approach plays out in adding experienced capable professionals to my staff as they become available and being able to replace departing expertise with a minimum of disruption. Finding people with talents where I have weaknesses has been a key to my success.

This approach plays out in soaking up advice from expanding networks of expertise and experience. These networks come from state and national trade associations, local and state SHRM organizations, and two local entrepreneur groups. In Chillicothe, we have 20 to 30 small businesses that meet every 6 weeks to share ideas, discuss issues and receive updates on what is affecting small businesses in our area. Both groups have bank support and support from the NWMSU SBTDC office. In addition, I have been able to rely on networking relationships with cooperating businesses in my industry.

When I realized that I had reached the point where I could stop worrying about the survival of my business and shift my focus to growth, I scheduled a meeting with Mr. Jim Houseworth, my mentor, banker and entrepreneur and Mr. Steve Holt, Director of the NWMSU SBTDC Chillicothe office. They helped me review my 2007 financials; recommend a CPA firm that could better serve my needs, listened to my growth plans and identified next step actions.

Mr. Holt later ran and delivered market comparison reports that allowed me to better gauge the market opportunity for the new markets that I was considering. He also provided background information on the competition already serving those new markets and generated business to business new customer marketing contact lists.

My plan for growth has changed slightly in the last six months due to the downturn in manufacturing and the light industrial industries in Missouri. I have needed to think “outside the box.” I believe that growing through diversifying my business is my best option, and doing it quickly. In September, 2008 I started a new division in my Sedalia office called Flexible Consulting which contracts mechanical, electrical, and chemical and industrial engineers. We now have three recruiters in that location.

In my Warrensburg office, I am hopeful to soon begin Flexible Medical Staffing. There is opportunity that has been knocking on my door for the last two years to do medical staffing in the rural areas. Again due to the economy, and my belief in growth through diversification, I am currently moving forward to take advantage of these opportunities at an accelerated pace. This past week I moved to a new location in Warrensburg which gives me room to expand and house five medical recruiters in that office which will service hospitals and clinics throughout Missouri. With this being said, all three of my locations will still do light industrial and clerical staffing.

I have used SBTDC for market research and I have plans to work with them on an updated financial analysis and marketing analysis of this new medical staffing business.

I view the medical industry as being somewhat recession proof with a constant skilled labor shortage. I need to hire an experienced medical professional to manage this new venture and hopefully Flexible Medical Staffing will be up and running soon.

The economic downturn has provided the motivation and opportunity to address this new business opportunity. Anticipating an extended downturn will require new cash resources. I have negotiated an expanded line of credit in advance to meet my potential needs.

Expecting to emerge from the downturn stronger than when the recession started, I am having my staff concentrate on getting our house in order by documenting our policies and procedures and providing extensive training to shorten our learning curve. I am also positioning myself to eliminate weaknesses in my management staff when opportunities arise, however, we have not had to lay off staff, but re-train them for new opportunities.

To provide my staff with high expertise and training in our industry, I have negotiated with other businesses to share their talented employees with our company. For instance, I needed a trainer/supervisor for the Flexible Consulting side of our business. By sharing in the expenses of this individual, this will enable both companies to have a quality, high-paid employee that can meet our needs at half the cost. This becomes a win-win scenario for both companies. It works great!

I have been fortunate in having an SBTDC office available in each of the communities where I have office locations. SBTDC has always been ready to provided assistance whenever I needed it. I have personally benefited from of the training and counseling provided by these centers. I often urge other small businesses to utilize their services. I have also utilized the services of the Missouri Procurement Technical Assistance Center and have attended the Ike Skelton Procurement Conference hosted annually by the University of Central Missouri SBTDC.

The SBTDC has provided all of the services that I have requested when I needed them and stands ready to work with me as I grow my business.

The greatest benefit to my business would be an improving economy where consumers were consuming again and through that consumption driving the demand for more goods and services and thereby driving the demand for more employees.

Consumer confidence and the availability of credit to finance expansion should be major governmental goals. Providing technical assistance to help individual businesses determine how much credit they need, how best to utilize that credit, and how best to manage and market their business should be the focus of the SBTDC. These are precisely the kinds of personal involvements, tools, counseling and assistance which have benefited me and my business, and by all accounts, many other such entities in our region. SBTDC is a viable service to small business. I am thankful to have them ready and available to meet the needs of not only my business, but to all small business' throughout the US.

Thank you.

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